



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt a resolution authorizing the City Manager to execute an electric utility rate contract between the City of Lodi and the Robert Mondavi Corporation for a new electric forklift charging station pilot project (EUD)

MEETING DATE: December 15, 2004

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council adopt a resolution authorizing the City Manager to execute an electric utility rate contract between the City of Lodi and the Robert Mondavi Corporation for a new electric forklift charging station pilot project.

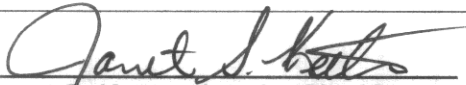
BACKGROUND INFORMATION: The Robert Mondavi Corporation is in the process of replacing twenty-five (25) propane/gas fired fork lifts at their Lodi Global Logistics & Distribution Center (the 450,000 square foot facility is located at 770 N. Guild Avenue, Lodi). In place of these propane/gas fork lifts, Mondavi is purchasing 25 rechargeable, battery-operated fork lifts. Thus far, Mondavi representatives have purchased/replaced thirteen of the old propane-fired fork lifts at the Guild Avenue site.

In an effort to promote and encourage the purchase of the clean-burning, highly efficient battery-operated fork lifts, the City of Lodi Electric Utility has developed a pilot electric utility rate. The proposed utility rate offers a rate break or incentive to the Robert Mondavi Corporation for charging the electric, battery-operated fork lifts *after* normal business hours. The actual rate that would be charged is \$0.0685 per kilowatt hour of energy consumed *between* the hours of 9:30pm and 8:30am Monday through Friday, weekends and holidays included. For all other time periods, the published G-4 electric utility rate would apply (when you total the winter and summer peak, partial peak and off-peak energy charges, the "average" or melded G-4 electric utility rate is \$0.0820 per kilowatt hour, not including any demand charges).

The proposed rate contract would be in effect for three years, commencing January 1, 2005.

In addition to the environmental benefits associated with the operation of the battery-operated fork lifts, the Electric Utility also has a derived benefit. By recharging the fork lifts after hours (between 9:30pm and 8:30am), the utility reduces system wide peak energy usage, which historically occurs during the late morning, afternoon and early evening hours. By reducing peak energy use/demand, the utility is able to reduce the amount of the more costly energy purchased at peak times.

Electric Utility staff is confident that this pilot project will also serve as a demonstration site for other major customers interested in utilizing electric, rechargeable fork lifts at their facilities. The City of Lodi Electric Utility respectfully recommends approval of this pilot electric utility rate, specifically designed for the

APPROVED: 
Janet S. Keeter, Interim City Manager

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Robert Mondavi Corporation to recharge electric, battery-operated fork lifts at their Lodi Global Logistics
& Distribution Center.

FUNDING: Not applicable.



Alan N. Vallow
Electric Utility Director

PREPARED BY: Rob Lechner, Mgr. of Customer Service & Programs

ANV/RL /mdw

RESOLUTION NO. 2004-279

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY
MANAGER TO EXECUTE ELECTRIC UTILITY RATE CONTRACT BETWEEN
THE CITY OF LODI AND THE ROBERT MONDAVI CORPORATION FOR A
NEW ELECTRIC FORKLIFT CHARGING STATION PILOT PROJECT

WHEREAS, the Robert Mondavi Corporation is in the process of replacing twenty-five (25) propane/gas fired forklifts at its Lodi Global Logistics & Distribution Center located at 770 N. Guild Avenue in Lodi, California; and

WHEREAS, in place of these propane/gas forklifts, Mondavi is purchasing 25 rechargeable, battery-operated forklifts, and to date Mondavi representatives have purchased/replaced thirteen (13) of the old propane-fired forklifts at the Guild Avenue site; and

WHEREAS, in an effort to promote and encourage the purchase of the clean-burning, highly efficient battery-operated forklifts, the City of Lodi Electric Utility has developed a pilot electric utility rate that offers a rate break or incentive to the Robert Mondavi Corporation for charging the electric, battery-operated forklifts *after* normal business hours; and

WHEREAS, the actual rate that would be charged is \$0.0685 per kilowatt-hour of energy consumed *between* the hours of 9:30pm and 8:30am Monday through Friday, weekends and holidays included, with the Rate Contract in effect for three years commencing January 1, 2005; and

WHEREAS, for all other time periods, the published G-4 electric utility rate would apply (when totaling the winter and summer peak, partial peak, and off-peak energy charges, the "average" or melded G-4 electric utility rate is \$0.0820 per kilowatt hour, not including any demand charges); and

WHEREAS, in addition to the environmental benefits associated with the operation of the battery-operated forklifts, the Electric Utility also derives benefit by reducing system wide peak energy usage, which historically occurs during the late morning, afternoon, and early evening hours. By reducing peak energy use/demand, the utility is able to reduce the amount of the more costly energy purchased at peak times; and

WHEREAS, the City of Lodi Electric Utility respectfully recommends approval of this pilot electric utility rate, specifically designed for the Robert Mondavi Corporation to recharge electric, battery-operated forklifts at its Lodi Global Logistics & Distribution Center.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby authorizes the City Manager to execute an Electric Utility Rate Contract between the City of Lodi and the Robert Mondavi Corporation for a new electric forklift charging station pilot project.

Dated: December 15, 2004

I hereby certify that Resolution No. 2004-279 was passed and adopted by the Lodi City Council in a regular meeting held December 15, 2004, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Johnson, Mounce, and
Mayor Beckman

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


SUSAN J. BLACKSTON
City Clerk